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LAW OFFICE
GIAUQUE & WILLIAMS
A PROFESSIONAL CORPORATION
500 KEARNS BUILDING
136 SOUTH MAIN
SALT LAKE CITY, UTAH 84101
(801) 533-8383

TELECOPIER:
(801) 533-8395

January 7, 1985

HAND DELIVERED

Ms. Pamela Grubaugh-Littig
State of Utah
Dept. of Natural Resources
Division of Oil, Gas and Mining
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

RECEIVED
JAN 07 1985

DIVISION OF
OIL, GAS & MINING

Re: Plateau Resources Limited

Dear Pamela:

I am enclosing a revised Mined Lands Reclamation Contract for Plateau's Shootaring Canyon Uranium Processing Facility. The basic concept is the same as in the original 1979 contract. The Board accepts Plateau's promise to reclaim in accordance with the reclamation plan approved by the Division and the NRC because the surety arrangement with the NRC provides adequate protection. As before, the amount Plateau is obligated to spend is limited to the amount in the approved plan.

As you know, the NRC reviews Plateau's surety annually. I therefore provided that the amount of Plateau's commitment to reclaim will vary automatically to match the amount set by the NRC. This eliminates the need to amend the contract with the state each year. Of course, any changes in the reclamation plan will require the consent of the state and the NRC.

Please call if you have any questions. I plan to have the signed copies of the contract available for presentation to the Board at the briefing session on January 24.

Very truly yours,

Jay D. Gurmankin
Jay D. Gurmankin

GPW/JDG/sbp

Enc. A/S

cc: J. L. Bacon

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
BOARD OF OIL, GAS AND MINING
4241 State Office Building
Salt Lake City, Utah 84114

* MINED LANDS RECLAMATION CONTRACT *

THIS CONTRACT, made and entered into this _____ day of January, 1985, between Plateau Resources Limited, a Utah corporation ("Plateau"), and the Board of Oil, Gas and Mining, duly authorized and existing by virtue of the laws of the State of Utah (the "Board").

WITNESSETH:

WHEREAS, Plateau is the owner and is in possession of certain lands in Garfield County, Utah, more particularly described in Exhibit "A" attached hereto;

WHEREAS, Plateau did on the 25th day of January, 1979, file with the Division of Oil, Gas, and Mining (the "Division"), a "Notice of Intention to Commence Mining Operations" and a "Mining and Reclamation Plan" to secure authorization to engage, or continue to engage, in uranium processing operations in the State of Utah, under the terms and provisions of the Mined Land Reclamation Act, Sections 40-8-1, et seq., UCA, 1953;

WHEREAS, Plateau did, on July 27, 1979, duly execute with the Board a "Mined Lands Reclamation Contract," whereby Plateau promised and agreed to reclaim certain affected lands in accordance with an approved mining and reclamation plan, the Mined Land Reclamation Act (the "Act") and all applicable rules

and regulations, and Plateau further agreed to provide a certain corporate guarantee in lieu of a bond;

WHEREAS, Plateau has filed an amendment to its reclamation plan with both the NRC and the Division in consideration of Plateau's present and proposed levels of activities;

WHEREAS, Plateau is able and willing to reclaim the above mentioned "lands affected" in accordance with the approved mining and reclamation plan as the same may be amended from time to time, the Act and the rules and regulations adopted in accordance therewith;

WHEREAS, the uranium processing operations conducted by Plateau upon the lands described above are covered by United States Nuclear Regulatory Commission (the "NRC") License No. SUA-1371, which license and applicable federal laws and regulations require that Plateau decommission its facility and reclaim such lands on the completion of operations and require Plateau to provide surety in form and amount acceptable to the NRC to ensure that funds will be available for decommissioning and reclamation;

WHEREAS, the requirements for reclamation and decommissioning under such federal laws and regulations are more comprehensive than the requirements under the Act and the regulations promulgated thereunder;

WHEREAS, the NRC reviews Plateau's surety mechanism annually and adjusts the amount of the surety to recognize any increases or decreases resulting from inflation, changes in engineering plans, activities performed, and any other conditions affecting costs;

WHEREAS, the surety provided to the NRC is now in the form of an irrevocable letter of credit in the amount of \$1,759,000, issued by the National Bank of Detroit, expiring April 13, 1985, a copy of which letter of credit is attached hereto as Exhibit B;

WHEREAS, Plateau is able to demonstrate sufficient solvency by having the ability to provide the irrevocable letter of credit to the NRC;

WHEREAS, the Board has considered the factual information and recommendations provided by the staff of the Division as to the magnitude, type and costs of the approved reclamation activities planned for the land affected.

WHEREAS, the Board is cognizant of the nature, extent, duration of operations, the financial status of Plateau, and its capabilities of carrying out the reclamation activities;

NOW, THEREFORE, for and in consideration of the foregoing and the covenants and agreements set forth below, the parties hereto agree as follows:

1. Plateau promises to reclaim the lands affected in accordance with the approved Mining and Reclamation Plan as the same may be amended from time to time with the consent of the NRC and the Division, the Act, and the Rules and Regulations adopted in accordance therewith.
2. Plateau promises to decommission its uranium processing facility and reclaim such lands in accordance with a NRC-approved decommissioning and reclamation plan.
3. Because of the surety arrangement with the NRC, the Board accepts the personal guarantee of Plateau to reclaim the lands affected, and will not require that Plateau provide an additional surety arrangement.

4. The Board and Plateau agree that Plateau will not be required to expend more for reclamation and decommissioning than the amounts identified for such purposes (including contingencies for such purposes) in the NRC-approved reclamation and decommissioning plan as such amounts may be revised annually by the NRC.
5. Plateau agrees that until the lands affected are reclaimed in accordance with an approved mining and reclamation plan, Plateau will not, unless the Board shall otherwise consent, merge or consolidate with any other corporation or entity except Consumers Power Company, or sell, lease, transfer or otherwise dispose of all or substantially all of its assets or businesses to any other person, firm, or corporation.
6. Plateau agrees to provide the Board and the Division with copies of all letters of credit and other forms of surety provided to the NRC. *} will fluctuate?*
7. This contract supersedes and replaces the Mined Lands Reclamation Contract dated July 27, 1979.

IN WITNESS WHEREOF, the parties have caused this contract to be executed as of the date first above written.

PLATEAU RESOURCES LIMITED

By _____
Blake O. Fisher
Vice President

BOARD OF OIL, GAS AND MINING

By _____
Vice Chairman

STATE OF _____)
 : ss.
COUNTY OF _____)

On the _____ day of January, 1985, personally appeared before me Blake O. Fisher who being by me duly sworn did say that he is the Vice President of Plateau Resources Limited, and that said instrument was signed in behalf of said corporation by authority of its by-laws and said Blake O. Fisher acknowledged to me that said corporation executed the same.

NOTARY PUBLIC

Residing at: _____

My Commission Expires:

(2341s)

EXHIBIT A

The Surface Estate only in and to the following described lands situated in Garfield County, Utah:

Township 35 South, Range 11 East, SLM

Section 33: S $1/2$ SW $1/4$ SE $1/4$, SE $1/4$ SE $1/4$
Section 34: SW $1/4$ SW $1/4$, W $1/2$ SE $1/4$ SW $1/4$

Township 36 South, Range 11 East, SLM

Section 3: Lot 4
Section 4: Lots 1, 2, N $1/2$ S $1/2$ NE $1/4$

Containing 274.76 Acres, more or less.

Subject to easements and rights of way of record, and to mineral reservations of record and surface rights associated therewith.



National Bank of Detroit

INTERNATIONAL DIVISION—LETTER OF CREDIT DEPARTMENT

P.O. BOX 116A

DETROIT, MICHIGAN 48232

CABLES—NATIONBANK DET

TELEX #230164

IRREVOCABLE

LETTER OF CREDIT NO. 45340

DATED: APRIL 13, 1982

United States Nuclear Regulatory Commission
Washington, D.C. 20555

Dear Sirs:

Reference License #SUA-1371

We hereby establish, at the request and for the account of Plateau Resources, Limited, a Utah corporation (the "Account Party"), in your favor, our Irrevocable Letter of Credit No. 45340, in the amount of \$1,875,000.00 effective immediately and expiring on April 13, 1984.

We hereby irrevocably authorize you to draw on us, in accordance with the terms and conditions hereinafter set forth and in a single drawing by your sight draft drawn on us, an amount equal to \$1,875,000.00, provided that no such drawing shall be made prior to February 13, 1984.

Funds under this Letter of Credit are available to you against your sight draft referring thereon to the number of this Letter of Credit and accompanied by your written and completed certificate signed by you in substantially the form of Annex A attached hereto. Each such draft and certificate shall be dated the date of its presentation and shall be presented at our office located at 611 Woodward Avenue, Detroit, Michigan 48226, Attention: Letter of Credit Dept. If we receive your draft and certificate at such office, all in strict conformity with the terms and conditions of this Letter of Credit, on or prior to the date of termination of this Letter of Credit as set forth below (but not prior to February 13, 1984), we will honor the same in accordance with your payment instructions.


Upon the earliest to occur of (i) our honoring your draft presented hereunder, or (ii) the expiration date stated in the initial paragraph hereof, this Letter of Credit shall automatically terminate.

This Letter of Credit shall be governed by the "Uniform Customs and Practice for Documentary Credits" International Chamber of Commerce Publication No. 290, as amended from time to time, and by the laws of the State of Michigan as in effect from time to time. Communications with respect to this Letter of Credit shall be in writing and shall be addressed to us at 611 Woodward Avenue, Detroit, Michigan 48226, Attention: Letter of Credit Dept., specifically referring to the number of this Letter of Credit.

This Letter of Credit sets forth in full our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement, other than the certificate and the draft referred to herein; and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except for such certificate and such draft, and the "Uniform Customs and Practice for Documentary Credits" to which this Letter of Credit is subject.

Very truly yours,


Authorized Signature


Authorized Signature

ANNEX A
CERTIFICATE WITH RESPECT TO
NATIONAL BANK OF DETROIT
IRREVOCABLE LETTER OF CREDIT NO. 45340

The undersigned hereby certifies to National Bank of Detroit, a national banking association (the "Bank"), with reference to Irrevocable Letter of Credit No. 45340 (the "Letter of Credit") issued by the Bank in favor of the United States Nuclear Regulatory Commission (the "Commission"), that:

1. The undersigned is duly authorized by the Commission to execute and deliver this Certificate on behalf of the Commission.
2. The Account Party has not provided to the Commission a replacement surety approved by the Commission and meeting the terms of Source Materials License No. SUA-1371 issued by the Commission to the Account Party.
3. The Commission is making a drawing under the Letter of Credit, and shall hold the proceeds of such drawing, as substitute surety.
4. This Certificate and the draft it accompanies are dated, and are being presented to the Bank on, a date that is not earlier than February 13, 1984, the date that is sixty days prior to the stated expiration date of the Letter of Credit.

All defined terms used but not defined herein shall have the meaning assigned thereto in the Letter of Credit.

IN WITNESS WHEREOF, the undersigned has executed this Certificate on behalf of the Commission this _____ day of _____, 19____.

UNITED STATES NUCLEAR REGULATORY
COMMISSION

By: _____
(Name and Title)



National Bank of Detroit

INTERNATIONAL DIVISION—LETTER OF CREDIT DEPARTMENT
P.O. BOX 116A
DETROIT, MICHIGAN 48232
CABLES—NATIONBANK DET TELEX #230164

orig. signed cc
sent to USK
10-3-83
OCT 3 1983

September 23, 1983

Beneficiary:

United States Nuclear Regulatory Commission
c/o Mr. R. Dale Smith
Uranium Recovery Field Office
P.O. Box 25325
Denver, Colorado 80225

Reference License #DA-1371

Gentlemen:

We hereby amend our irrevocable Letter of Credit No. 45340, dated April 13, 1982, issued in your favor for account of Plateau Resources, Limited as follows:

THE AMOUNT OF THIS CREDIT IS NOW REDUCED TO A TOTAL AVAILABLE AMOUNT OF \$1,759,000.00 (ONE MILLION SEVEN HUNDRED FIFTY NINE THOUSAND U.S. DOLLARS), AND

THE EXPIRATION DATE OF THIS CREDIT IS EXTENDED TO APRIL 13, 1985.

All other terms and conditions of this Credit remain unchanged.

This amendment letter should be attached to our original Credit #45340 already in your possession.

Kindly confirm your agreement to and acceptance of this amendment by signing and returning the attached copy hereof.

Very truly yours,

Authorized Signature

APPROVED BY:

PLATEAU RESOURCES LIMITED

Authorized Signature

Approved by:

Authorized Signature
U.S. Nuclear Regulatory Commission